

FISCAL NOTE WORKSHEET (Revised Nov. 2006)

*** REVISED ***

Agency: Utah State Office of Education
Ben Leishman
 Requested By

Bill Number SB 142

Fax/Electronic Mail Transmittal

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Date: _____
Name: _____
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Please return to Fiscal Analyst by: January 23, 2008

TITLE OF BILL: High School Graduation Requirements

This Bill Takes Effect: ☐ On Passage ☐ On July 1 ☒ 60 Days after session ☐ Other _____

Bill Carries Own Appropriation: ☐

FISCAL IMPACT OF PROPOSED LEGISLATION

A. Revenue Impact by Source of Funds:	FY 2009	FY 2010
1. General Fund		
2. Unifrom School Fund - Free Revenue		
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

B. Expenditure Impact by Source of Funds:		
1. General Funds		
2. Uniform School Fund - Free Revenue <u>Diploma & UBSCT</u>	\$55,533	\$55,533
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds <u>ACT fee waivers</u>	\$1,568,105	\$1,568,105
7. TOTAL	\$1,623,600	\$1,623,600

C. Expenditure Impact Summary:		
1. Salaries, Wages and Benefits <u>Diploma</u>	\$6,875	\$6,875
2. Travel		
3. Current Expenses		
4. Capital Outlay		
5. Other (Specify) <u>ACT fee waivers & UBSCT</u>	\$1,616,763	\$1,616,763
6. TOTAL	\$1,623,600	\$1,623,600

D. Impact in Future Years?

Costs will be ongoing to handle fee waiver requests and applications for diplomas that come in each year and will increase with increases in ACT registration fees and enrollment, especially several years out, as today 's early childhood echoboomers reach high school. Costs could even double in any given year if the state becomes obligated to grant fee waivers for ACT preparation courses.

E. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase

Lines 55-65 require the USOE to administer a diploma granting program. The bill undermines the Board's authority to establish graduation standards, and does not account for all legislatively mandated curriculum (financial literacy, etc.), or necessarily reduce the state's obligation to pay for "graduates" who remain eligible for public ed until they reach the age limit.

F. Expenditure Impact Details (*Ties to totals in Section C*)

This bill is identical to SB 57 1st Sub. from the 2007 General Session. The official note was \$0: "Enactment of this bill will not require additional appropriations. It may require additional State Board of Education staff time to verify test scores and issue diplomas which would require some changes in job priorities among staff." This may well be true, but as this document (updated from last year) points out, it is misleading as to the true cost of the bill. ACT FEE

WAIVER -- The bill discriminates against students who cannot afford the ACT, so it will create an obligation for LEAs to offer fee waiver to students. Although ACT itself offers fee waivers, they are limited to juniors and seniors, can be claimed for only one administration, and are not guaranteed, so this note assumes that the equivalent of every free lunch eligible high school student will claim at least one local fee waiver for ACT registration that will become the state's obligation to fund. (See Analysis tab.) **STATE DIPLOMA ADMINISTRATION**

-- According to USOE Curriculum Director Brett Moulding, "the most likely scenario would be for less than 5% of one of my staff member's time for this aspect of the requirement." Otherwise, the USOE already processes answer documents and test result profiles for home schooled (and private school) students who participate in state sponsored tests under the aegis of LEAs.

G. No Fiscal Impact or Will Not Require Additional Appropriations?

Responsibility for processing applications for diplomas would likely be given to the USOE Curriculum Section.

REVISION (UBSCT) Additional information from the USOE Assessment Section (1/23/2008) has enabled an estimate of the additional cost (approximately \$50,000) for administration of the UBSCT to the large majority of Grade 10-12 students in home and private schools -- the population most likely to take advantage of this bill. See Analysis for details. This population is only nominally served by the state assessment program right now.

H. If Bill Carries Its Own Appropriation:

Not applicable.

I. Impact on Local Governments, Businesses, Associations, and Individuals

Local School Districts/Charter Schools: The obligation to provide a fee waiver for the ACT will increase the cost of fee waivers to LEAs by about **40%**. The marginal cost of registering and proctoring additional home students who might be induced to participate in the UBSCT by the incentive of a diploma is negligible.

Businesses and Associations: Possible additional sales revenue for ACT.

Individuals: Families bear the cost of ACT testing, the basic registration fee for which is currently **\$30**. This fee will now be waived for approximately **20%** of high school students.

Narrative Description of Bill: This bill allows a student who resides in Utah to receive a high school diploma if the student passes the basic skills competency test and receives certain scores on the ACT.